NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

## PAID UP OIL AND GAS LEASE (No Surface Use)

THIS LEASE AGREEMENT is made this	nov of #111	aust.	, 2008	8, by and between
Dorothy Faye Maddox as	her Sepon	ate property.		
whose addresss is 502 Dongle	Street Fort 1	Worth Texas		as Lessor,
and, DALE PROPERTY SERVICES, L.L.C., 2100 Ross Ave	nue, Suite 1870 Dallas T	exas 75201, as Lessee. All r	printed portions of this lease were pre	epared by the party
hereinabove named as Lessee, but all other provisions (include	ling the completion of blank	spaces) were prepared jointly	y by Lessor and Lessee.	
<ol> <li>In consideration of a cash bonus in hand paid an</li> </ol>	d the covenants herein co	ntained, Lessor hereby gran'	ts, leases and lets exclusively to Le	essee the following
described land, hereinafter called leased premises:				
337 ACRES OF LAND, MORE OR LES	SS, BEING LOT(S)	<u> </u>	BLOCK,_	11
OUT OF THE Burton Acres		ADDIT	ION, AN ADDITION TO T	THE CITY OF
tort Worth TARR		KAS, ACCORDING T	O THAT CERTAIN PLAT	RECORDED
IN VOLUME 388- ( , PAGE	19OF TH	IE PLAT RECORDS	OF TARRANT COUNTY,	TEXAS
in the County of Torrent Code of Towns and the	93			

in the County of <u>Tarrant</u>, State of TEXAS, containing <u>SS</u> gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of Five (5) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons

separated at Lessee's separator facilities, the royalty shall be <u>Twenty-Five (25%)</u> of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchase's transportation facilities, provided that Lessee shall have the continuing right to purchase such a prevailing price) for production of them prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of

provided at leaser's experting facilities, the rowlyst shall be Taylory 150% of the second at leaser's recording the same field (or life, 160%) of the same field, (or life these in out such production to the same field, (or life these in out such production at the well-hand in the same field, (or life these in out such production at the well-hand in the same field, or life these in out such production at the well-hand in the same field, or life the same field, then in the nearest sold in which there is a such production at the nearest sold in which there is a such a prevailing price) for production or similar grade and gravity. (b) for gas (including casing head gas) and all other substances covered hereby, the royally shall be Taylor 160% of the production of similar grade and gravity. (b) for gas (including casing head gas) and all other substances covered hereby, the royally shall be Taylor 160% of the production of the same field, the production of the same field in the same field (in the production of the same field) and the same field in the same field (in the same field) and the same field in the same field (in the same field) and the same field in the same field (in the same field) and the same field in the same field (in the same field) and the same field in the same field (in the same field) and the same field in the same field (in the same field) and the same field in the same field (in the same field) and the same field in the same field (in the same field) and the same field in the same field (in the same field) and the same field in the same field (in the same field) and the same field (in the same field) and the same field (in the same field) and the same field in the same field (in the same field) and the same field (in the sam

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter. arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

It Lessee releases all or an undivided Interest in less than all of the area covered hereby, Lessee's obligation to pay or fender shuf-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands used by Lessee herewider, without Lessor's consent, and Lessee shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements moven the leased premises or such other lands during the term of this lease with right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time ther

purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or

other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxe mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations

operations.

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE) Dorothy Faye Maddex. ACKNOWLEDGMENT STATE OF Texas JNTY OF Tarrant
This instrument was acknowledged before me on the 9th day of August 2008, by: Dorothy Farge Maddex.

Jakkiel Valder gr COUNTY OF Tarrant GABRIEL VALDEZ JR Notary Public, State of Texas Notary's name (printed): Notary's commission expires: Notary Public, State of Texas My Commission Expires October 30, 2011 STATE OF Texas COUNTY OF Tarrant day of \_\_\_\_, 2008, by: This Instrument was acknowledged before me on the \_\_\_\_

Notary Public, State of  $\underline{Texas}$ Notary's name (printed):



## DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

**DALLAS** 

TX 75201

Submitter: DALE RESOURCES LLC

## SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

## <u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.

\$20.00

Filed For Registration: 08/14/2008 09:11 AM Instrument #: D208318417

LSE 3 PGS

D208318417

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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